

CHARTING YOUR COURSE



THE STATE OF MAINE DEFERRED COMPENSATION PLAN NEWSLETTER August 2001

Welcome to the First Issue of Charting Your Course! A sailor never goes to sea without a compass and a map. That's because when planning for any trip, common sense tells us to be prepared — decide where you're going and figure out how you're going to get there. Preparing for retirement is no different. You need to decide what your retirement goals are and then chart your course toward those goals.

WHAT'S IN THIS ISSUE

Improved
Investment
Options



Set Sail —
Get Started
in the Plan



Employee
Meetings



The State of Maine Deferred Compensation Plan can help ensure smooth sailing on your journey to retirement. And now, you can prepare yourself even better by learning what the Plan is all about and how to use it to your best advantage through quarterly issues of *Charting Your Course*. Each newsletter will also provide valuable investment fund performance and operating fee information. What's more, watch for the State of Maine Deferred Compensation *Charting Your Course* booklet, coming soon. It offers more details on the Plan, investment strategy information and instructions on how to enroll if you haven't already done so.

We think it's important for you to have the tools you need to meet your retirement goals. That's why the State of Maine is offering these new Plan materials. By keeping informed, you'll be pointed in the right direction!

IMPROVED INVESTMENT OPTIONS

Each of us has different retirement goals to plan for within our own individual set of circumstances. That's why the State's Deferred Compensation Plan allows you to choose from four different financial services organizations to invest your contributions. In order to provide better Plan services, the State has approved a formal investment policy for the Deferred Compensation Plan. To meet the guidelines established by the investment policy, the financial services organizations are now providing you with improved investment choices that offer lower expenses and meet higher investment performance standards.

How This Will Affect You

The improved investment options will become effective on October 1, 2001. If you're already participating in the Plan, this means your current investment options may be replaced by similar investments that generally have lower expenses. You can transfer your investments to the new fund choices from October 1 of this year through March 2002. If you have not transferred to the new funds by the deadline set by your financial services organization in March 2002, your funds will be automatically moved to the options that most closely fit your current investment selection. Soon you'll receive detailed information from your financial services organization about the revised investment options and the transition process.

You'll read more about your new investment opportunities in the next issue of *Charting Your Course*.

In the meantime, you can contact your financial services organization below for more information.



ING Aetna Financial Services
Aetna Investment Services, LLC
151 Farmington Avenue
Hartford, CT 06156
Maine: (207) 622-4882
Outside Maine: 1-800-238-8458
www.aetnafinancial.com



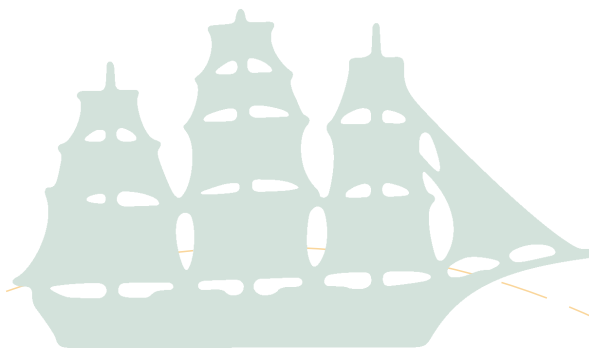
Hartford Life
Hartford Life Insurance Company
Retirement Plan Solutions
P.O. Box 1583
Hartford, CT 06144-1583
Maine: 1-800-640-8787
Outside Maine: 1-888-457-7824
www.retire.hartfordlife.com



P.O. Box 9255
Boston, MA 02209-9255
1-888-891-6484
www.citistreetonline.com



VALIC An American General Company
Northeast Regional Office
410 Amherst Street, Suite 250
Nashua, NH 03063-9954
Maine: 1-800-892-5558 Ext. 88631
Outside Maine: 1-800-428-2542
www.valic.com



SET SAIL — GET STARTED IN THE PLAN

If you're not already contributing to the State's Deferred Compensation Plan, here are a few reasons why you should start:

MOVE TOWARDS FUTURE FINANCIAL SECURITY

The majority of people in today's workforce expect personal savings — not pensions or Social Security benefits — to be their largest source of retirement income.

SAVE THE EASY WAY

Each year, you can save up to 25% of your taxable pay through convenient payroll deductions, up to the annual IRS maximum. For 2001, the IRS maximum is \$8,500.

ENJOY TAX-SAVINGS OPPORTUNITIES

When you contribute to the Plan, you use pre-tax dollars, which means that you save on your current taxes. You don't pay taxes on the money in your Plan account until you receive a distribution.

CHOOSE YOUR INVESTMENTS

The Plan offers you four different financial services organizations from which to choose your investments.

STAY FLEXIBLE

You can change the amount you contribute and how your contributions are invested at almost any time.

With Plan features like these, it will be easy to set sail toward your retirement destination!



EMPLOYEE MEETINGS

Beginning in early August, the State will hold employee meetings. These meetings are designed to be of value to all State employees. If you're not currently participating in the Plan, the meeting will demonstrate how valuable the Plan can be in developing a retirement strategy. For participants, the meeting will provide an introduction to the revised investment options as well as guidance on how to obtain specific information on the investment options. Watch for time and location announcements at your place of work, and be sure to attend a meeting.

NEXT ISSUE

The next issue of *Charting Your Course* will provide details and performance information for the revised investment options.

